



IATA Position Paper on CAAF/3

Background

ICAO's Third Conference on Aviation Alternative Fuels (CAAF/3) will take place in November 2023. The conference is tasked with delivering a declaration pertaining to SAF deployment in support of the Long-Term Aspirational Goal (LTAG) of Net Zero Emissions by 2050 adopted at ICAO's 41st Assembly. The declaration will focus on establishing an ICAO global framework for the use of cleaner energies for aviation such as sustainable aviation fuels (SAF) and lower carbon aviation fuels (LCAF). The framework would include the necessary building blocks, such as policy and planning, regulatory framework, implementation support, and financing, to upscale production and enhance the price competitiveness of clean energies, and potentially also formulate a quantified global vision regarding the use of cleaner energies by 2030 and 2050.

A Small Group in the Climate and Environment Committee (CEC), reporting to the ICAO Council, is considering [possible CAAF/3 outcomes](#) and has drafted a potential global framework. There are critical areas that members of the Small Group are still debating, i.e., the global vision, accounting methodologies, and financing for cleaner energies. This paper presents IATA's position on CAAF/3, and the key structural elements the industry would like to see included in the CAAF/3 Declaration.

IATA Position

In the recently published Net Zero Roadmaps, IATA has reemphasized the critical role of SAF, LCAF, and hydrogen in decarbonizing aviation. In 2050, IATA expects that SAF could contribute to over 60% of the emissions reductions achieved in aviation globally, with the rest being tackled by efficiency improvements through technologies and operations and the use of hydrogen aircraft, provided that States implement effective support policies. A global framework for SAF and LCAF could help in setting a global approach to policymaking and avoiding unintended consequences that may lead to market distortion.

In 2021, the aviation industry, including airlines, aircraft and engine manufacturers, airports, and air navigation and service providers, committed to a Net Zero CO₂ emissions goal for the sector by 2050, and ICAO member States adopted the Long-Term Aspirational Goal for Net Zero CO₂ emissions for international aviation by 2050 at its 41st Assembly in 2022. Equally, some States have Net Zero goals for their own economies, including for domestic aviation. ICAO member States and the industry have also adopted the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and expect that around 20% of international aviation's emissions will be offset using the scheme by 2035.

To meet these international commitments, a rapid expansion of the supply of SAF and competitive prices of cleaner energies are essential. The pace at which that can be achieved depends critically upon:

- a) Governments enacting **early and effective policy support** to boost SAF production and enable functioning markets.
- b) The adoption of a **SAF accounting mechanism** based on robust chain of custody models as per CORSIA SARPs.
- c) Focus on **feedstock diversification to expand production of SAF across all regions**.
- d) ICAO's role to facilitate **knowledge sharing** for SAF ramp-up.

The output from CAAF/3 must secure commitment for these areas and the strength of those will determine the path and pace of the ramp-up of SAF production across the globe. Given that these policies and supportive actions are yet to be defined, it is not possible nor appropriate to set interim ambition levels at this stage. By the very nature of CAAF/3, any SAF output estimates would only be based on existing policies and therefore would not reflect the policies which are to be defined as a result of the process. Instead, CAEP should continue its work on assessing the expected CO₂ emissions reductions stemming from all elements of the ICAO basket of measures and on cost impacts of the efforts to achieve the LTAG, as tasked by the Council based on Assembly Resolution 41-21 (operational paragraph 9), before potentially defining specific ambition levels for SAF production in due time.



States' ability to support a rapid and broad-based expansion of SAF production, including enabling policies, global accounting solutions, and competitive markets for SAF supply, will determine future production levels. Airlines and their customers have bought and will continue to buy all SAF available to meet their Net Zero 2050 commitments.

Structural elements of the global framework

IATA recommends that ICAO's global framework incorporates the following structural elements:

- **Need for a supportive policy framework**
 - **Governments** should formulate national (regional, global) strategic plans for achieving sustainable aviation and involve all stakeholders.
 - Strategic plans should include a framework for creating these novel markets, and seek to:
 - **De-risk investments** in SAF production facilities through notably guarantees, pricing mechanisms, and grants.
 - Remain **agnostic** in terms of feedstock and technologies.
 - **Redirect current production subsidies** of fossil fuels to renewable alternatives, including SAF.
 - Provide **equal support to SAF** production as to other renewable products.
 - **Exempt SAF from tax.**
 - Ensure that revenue from any existing environmental taxes levied by States on aviation is **attributed to aviation-based environmental initiatives**, including SAF.
- **Airlines must be able to claim emissions reductions from SAF and LCAF**
 - The aim is to decarbonize air transportation, and airlines must be able to **claim emissions reductions from the use of SAF** in any regulatory framework.
 - **The industry should play a leading role in advancing a global SAF accounting mechanism** based on robust chain of custody approaches to enable SAF to be purchased by any airline anywhere in the world, regardless of local physical availability.
 - To further unlock investments, **customers must also be permitted to report** the emission reductions from SAF used and reported by their airlines. This will incentivize additional SAF uplift beyond regulatory frameworks and thus enable airlines and airline customers to meet their Net Zero targets.
- **Regional diversification of feedstocks**
 - Current estimates predict that nearly 85% of the SAF production by 2030 will be made from biogenic oils and fats. Incentives to de-risk and **scale-up other advanced feedstock** options are fundamental for securing the supply of SAF over the remaining years to 2050.
 - Close to 90% of the projected supply by 2030 is concentrated in Europe and North America. States and fuel producers should identify how **broader regional diversification of production** can be achieved to simplify supply chains and expand the benefits of renewable fuel production to all regions in the world.
- **ICAO's role beyond capacity building**
 - ICAO and its member States must commit to **capacity building** in the SAF space, ensuring no region or country is left behind.
 - ICAO should act as a matchmaker by **bringing together SAF production projects and organizations** seeking to fund them.
 - ICAO and its member States must ensure timely **certification** to enable adequate tracking and claiming of SAF.

Next Steps

In the aviation industry's endeavor to achieve Net Zero CO₂ emissions by 2050, ICAO's global framework should guide States and regions to draft consistent national and regional strategies to decarbonize the aviation sector, ensuring that the ramp-up in production of cleaner energies progresses sufficiently, while maintaining price competitiveness. The aviation sector's transition depends critically upon such supply at transparent and competitive prices, and any delay to or shortfall of such supplies will imperil the goal to which both States and industry are equally committed - to achieve sustainable aviation by 2050. As under the existing regimes, airlines should have maximum flexibility in reducing their CORSIA offsetting obligations



through the use of SAF by claiming the life cycle emissions reductions associated therein.¹ Meanwhile, IATA will engage with relevant stakeholders to advance the implementation of the agreed structural elements. Notably, IATA will advance the implementation of agreed SAF accounting principles and methodologies with policymakers to achieve tangible results.

¹ it is estimated between 1.2 billion to 2 billion tonnes of CO₂ will be offset under CORSIA.